EXHIBIT A



WED, SEP 4, 2019 HOME NEWS COUNTRIES INVESTIGATIONS INDEPTH **ABOUT US ESPAÑOL**

Ecuador's Cocaine Pirates: Part I

Written by *alejandra S. Inzunza and Pablo Ferri -MARCH 14, 2014

Cocaine **Criminal Migration** Ecuador











Off the coast of Manta, Ecuador

Ecuador has become a maritime drug transfer point for traffickers from Mexico and Colombia. The fishing boats are hijacked or used as service stations, and the ports are a major weak point for the government of President Rafael Correa.

For years, Marco Sanchez worked carrying buckets full of fish from his colleagues' boats to the seashore in



mamerpancy in the manasi promise one of the most important port cities in Ecuador — is known.

Marco cleaned the fish and carried them to the center to sell, until one day he was offered a position as a cook on a fishing boat. He was 24 years old and had a son. For a long time, he had been tired of cleaning fish, so he quickly accepted the job, although his father, a retired sailor, had warned him about the dangers of the sea: the storms, the 18 days or more without touching land, the diseases, the mechanical problems. And yes, also the drug traffickers.

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In recent years, the sailors had begun to tell stories in Ecuador's ports about the "narcos," pirates with AK-47s that assaulted ships in the middle of the night, and hijacked them for drug transport or stole gasoline and provisions, leaving them alone in the middle of nowhere until another fisherman rescued them. According to these tales, some seduced the fishermen with large sums of money.



Marco did not hesitate. He decided to join the crew that his cousin Jorge worked with, searching for spotted dogfish, which are abundant in Peruvian waters. His mother had recently died in Guayaquil, so the money would be a much needed support for his family. Anything was better than selling fish while his friends were out on the high seas.

One dark night, a few months later, a small ship that supposedly needed help approached them. Seven armed men climbed on board. Hidden and silent, Marco Sanchez saw them load the boat with plastic covered packets and suitcases full of cash.

"You can help us, or you won't be going anywhere!" said one of the men with a Colombian accent.

The fishermen surrendered themselves to their assailants, who brought the boat closer to the other vessel where they had left their merchandise. They carried radios and knew the coordinates of their location perfectly. The small, supposedly damaged boat, was then abandoned.

Before leaving, the drug traffickers offered a deal to the novice cook: "Come cook for us. You'll have



Marco Sanchez remained silent. The pirates made jokes, saying that he probably was not much of a cook anyway, and then left. Marco did not remember ever being so afraid. He only imagined that at any moment, they would throw him overboard.

"If you get involved in that, you will make a lot of money, but afterwards, there are only two ways out: you get killed or you go to jail," said the former cook, a thin man, with a three-day mustache and slanted eyes, who retired several years ago and now works in a boat-taxi bringing people from one ship to another off the coast of Jaramijo. His cousin Jorge left to work with the drug traffickers.

When The Drug Pirates **Took Over the Seas**

Jaramijo smells of fish. The whole town's activity revolves around the sea. Its coastline is full of tuna fishermen, shrimpers, ferries and speedboats. Men with weather-beaten skin and calloused hands fix nets and prepare for their next outing. It is said that the Ecuadoreans of this region preserve the same qualities as their ancestors — the Hara-miasu and Hara-way, Polynesian tribes that settled here centuries ago —



compass.

In Jaramijo and neighboring Manta, where one of the country's most important ports is located — as well as at other key points along the Ecuadorean coast, such as Guayaquil, Bolivar or Esmeraldas — drug trafficking has been present for years. Until 2009, the US Forward Operating Location (FOL) post was located in Manta. Over the course of 10 years, this facility carried out some 7,726 antidrug operations in 11 Pacific countries and managed to sink 46 commercial ships on the Ecuadorean coast for suspected participation in this illicit activity, according to the Latin America Association for Human Rights. The current government of President Rafael Correa decided not to renew the agreement that Ecuador had with the United States for a decade and to close the base in order to make the fight against drug trafficking a national matter, similarly to Venezuela and Bolivia, who have also dispensed with US government support. In the place the base was located, there are now only some abandoned restaurants and empty night clubs.

The withdrawal of the military attracted more drug traffickers, principally Colombian criminal groups



as the simulou ourter, the wan ourter and the Zetas, according to Fernando Carrion, a research professor at the Latin American social science research center FLACSO, based in Quito. The country that marks the geographical division between the northern and southern hemispheres became one of the principal drug transit routes at a continental level. A US State Department report says that some 120 tons of cocaine pass through Ecuador each year, in addition to chemicals used in the production of drugs.

SEE ALSO: Coverage of Criminal Migration

"We have registered that 270 tons pass through Ecuador, and furthermore, in the past year 17 laboratories were found, the majority in Manabi, which is a region with a lot of vegetation, difficult to access and rough terrain," said Daniel Ponton, coordinator of the Latin American Security and Democracy Network.

Ecuador suffers from its geography. It is located between two of the three principal coca leaf producers, Peru and Colombia, and also shares a border with Brazil, the world's second largest consumer of cocaine. Its Pacific coastline serves as one of the principal



The ports are the principal weak point for the Correa government. Each year, more than 712,000 containers leave the ports, but only a small percentage pass through security controls. According to the United Nations Office on Drugs and Crime (UNODC) Container Control Program, less than two percent of the containers sent around the world each year — some 500 million — are inspected.

While the FOL was in Manta, numerous operations were performed to detect illegal vessels, but these decreased after the base was moved. Former Defense Minister Jose Gallardo said that the removal of the US base was an error because the number of aerial controls and land patrols radically decreased.

It was then that the drug pirates took over the seas.

How the Narcos Operate

"There are ships that stop you on the high seas asking for fish. They approach on that pretext and then they come on board. If they stop you sometime before dawn, it is because they are drug traffickers," said Raul, a fisherman, as he cleaned the day's products before sunset in Jaramijo,



Like other boats, the pirates hang the Ecuadorean flag in order to conceal their presence. They go from boat to boat, transporting drugs or money, and in search of provisions and gasoline. Some steal boat motors, which are in high demand in this region. Sometimes, they only need to camouflage themselves amid other crews to confuse the police.

Raul Paladines, a graying Manabi native, with a thick build and a wide nose and chin, is the owner of Puerto Atun (Tuna Port), a private territory between Manta and Jaramijo dedicated to lobster, sardine and tuna fishing. As he sat at the bar on the terrace of his office in the port — where he drinks with his friends — he said he had to reinforce security on his boats in order to deter pirates and contract private agents in order to prevent his ships from being contaminated. He also installed surveillance cameras in order to know what was happening out at sea.

"Before, when a ship came near to ask for help or for fish, which happened often, you always stopped to help them. There was solidarity at sea, but now you can't. You don't know who is approaching or if their boat is 'botado' — as we describe ships

passing by the coast for the season could be seen. At the end of the port's pier sit the remains of a tuna fishing boat that sunk months earlier.

Paladines said the binnacles on his vessels have registered various attempts by the drug traffickers to intercept his tuna boats. "Luckily, they haven't been successful," he said.

Last year, 53 tons of drugs were seized in Ecuador. Jose Marco, captain of the Manta port, said there were "signs" that drugs were leaving by sea from the Manabi province and later shipped north, but that there was "no proof" to show that the containers leaving from its piers had been contaminated.

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"We know that there are boats and ships dedicated to that on the seas, but we have not been able to prove it. Many fishing vessels are used as floating gas stations for the drug boats, but there is a big difference between official acknowledgment and legal proof." Marcos said that some GPS devices have been able to track ships that make various stops in distinct parts of the ocean, which feeds suspicions about the floating gas stations. "A small boat does not have the capacity to even reach the



In 2012, antinarcotics police found 360 kilos of drugs abandoned on the Punta Blanca beach in Manta. Two weeks earlier, a drug consignment weighing 150 kilos was found and two people were arrested for transporting cocaine in La Tiñosa, to the south of Manta. On more than one occasion, the fishermen have found bags full of drugs.

This is what happened on February 12, 2006, when, following a confrontation at sea between alleged drug traffickers and naval authorities, some men that were traveling in a speedboat threw plastic covered packets into the sea, which were never recovered. Days later, a group of fishermen from the fishing village El Matal, also in Manabi, found some 20 packages of cocaine. The case, which has repeated itself on various occasions, inspired the film "The Fisherman," a successful Ecuadorean film. It stars Andres Crespo, who tells the story of "Blanquito," a man who, after finding one of these packets, decides to change his life and search for his father, and is forced to confront Colombian drug traffickers.

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WED, SEP 4, 2019 HOME NEWS COUNTRIES INVESTIGATIONS INDEPTH **ESPAÑOL ABOUT US**

Ecuador's Cocaine Pirates: Part II

Written by *alejandra S. Inzunza and Pablo Ferri -MARCH 16, 2014

Cocaine **Criminal Migration** Ecuador

Money Laundering

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Fisherman in Manabi, Ecuador

authors Alejandra S. Inzunza and Pablo Ferri write about the impact of foreign crime and cocaine transit on the province of Manabi in Ecuador, particularly their effects in the fishing villages.

It was months after his fishing boat was hijacked at sea by drug traffickers that Marco Sanchez — a boat taxi-man from

ooise, miio iiuu beeli oli ule bout miul him and joined the traffickers, was by then driving a new red car and handing out cash to locals.

Jorge dressed well, had remodeled his small house in the village, and bragged to everyone that he had left poverty behind and would never have to fish again. He did not share details of his work, but he had become violent and always carried a pistol at his hip.

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"He drew a lot of attention. He suddenly wanted to fix everything by throwing money at it, and he didn't listen to us when we told him to get out of that business," said Marco, as he pulled the motor chain on his taxi-boat.

"And what happened to him?" we asked Marco.

"He's been in jail for more than half a year," he said sharply.

A Platform for **International Crime**



mannering anago, many or mem being held in preventive detention as they await trial. According to the Organization of American States (OAS), that year the prison population reached 18,675, a record.

As of October last year, the number of prisoners had risen to 24,203, representing more than twice the capacity of Ecuador's jails. According to Ecuadorean authorities, the growth of the prison population was directly related to the increase in cocaine seizures.

"There haven't been any official reports claiming the fishermen are used by the narcos, but there have been informal reports, which are also based on intelligence information. I assume the traffickers approach the fishermen and offer them money. It is most likely, but we don't have evidence," said Jose Marcos, the head of the Manta port.

Occasionally, they find Mexicans and Colombians. In 2012, Marcos said, three Mexican suspects were found on the high seas by naval authorities who were patrolling the area in search of a fisherman who had fallen into the water. More recently, they found a shipment of cocaine in the Caraquez bay, which authorities linked to foreign

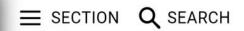


Latin American School of Social Science, which goes by its Spanish acronym FLACSO, says weak port security and corruption have facilitated the establishment of transnational organizations in the country. On May 13, 2013, an airplane of Mexican origin crashed in Manabi. It was flying with no lights at a low altitude to avoid radar detection and carried a suitcase with about \$1.3 million on board. One week later, a cocaine laboratory was found very close to where the incident had occurred.

"Ecuador has become a platform for international crime. We have stopped being a simple storage and transit point, and have become a platform for cartels to operate from," said Carrion, who has done studies on the Sinaloa Cartel and how it operates like a transnational business similar to Volkswagen, Nike or General Motors.

Packing Drugs, Not Fish

On one dusty street in the La Aurora sector, 10 minutes by car from the center of Manta, the intervention and rescue team of the national police recently raided a fish-packing plant. Nobody knew for certain what was happening. The doors of the factory



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That episode occurred in October 2012. Just one month before, on August 30, the police had searched the premises of another four fish packing companies. In May last year, the company Alpusa - also a fish packer - were visited by the police at their packaging plant for alleged drug trafficking. Authorities had found drugs in a container of fish in Guayaquil days earlier and linked it to the company. This was the third time officials had searched Alpusa in a short time span. The first two times, it was for suspected money laundering.

According to figures from the Financial Analysis Unit (UAF), \$2.2 billion dollars are laundered in Ecuador each year, mainly through the real estate sector. Raids on fish packing plants have become a routine affair in Manta. With 16 companies involved in this sector, the fishing industry provides a perfect disguise for drug trafficking and



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Around the same time of the fish packing raids, in October 2012, the president of the Chamber of Commerce, Lucia Fernandez, stated: "The problem here is more serious than it seems. When they discover drugs, it is because a deal went bad and somebody squealed. Once in a while, they find something, but it doesn't mean anything."

Fernandez appeared nervous as she spoke.

The Criminal Landscape

Fernandez's office is located in the center of Manta, a straight line of streets on a slope, fed by the Pacific breeze. In August last year, the police arrested Jorge Dominguez, alias "Palustre," the regional head of the Colombian criminal group known as the Rastrojos, just yards from her building.

As heirs of the Norte del Valle Cartel (NDVC), the Rastrojos have become one of the most powerful organizations in Colombia, particularly in the



nemphaper in connerer, raidone absorbed the principal drug trafficking structures, held territorial control over illicit activities and laundered money using front companies.

Prior to his detention, "sicariato" murders for hire — a crime never before seen in Ecuador, became common in Manta. From 2008 to 2011, half of the 1,100 murders committed in Manabi occurred in Manta, Montecristi and Jaramijo. In 2012, 62 people were murdered in Manta, representing a homicide rate of 20 per 100,000 residents, double the level considered "epidemic" by the United Nations. **Ecuador President Rafael** Correa recently dispatched the military to the region to try to quell the violence.

Authorities said there are a couple of local gangs, the Choneros and the Queseros, who share responsibility for the increase in violence in Manabi. The Choneros and Queseros began a war in 2005, when the Queseros murdered the wife of alias "Teniente España," the leader of the Choneros. This last group subdued its enemies and took control over the region. President Correa said the Choneros were one of the biggest criminal organizations in the history of Manabi.



fell last year in Manabi. But there are still some who doubt these captures will be effective over the long term.

"Although the police think that by throwing them in jail they are dismantling the organization, I think putting them in jail is strengthening them," FLACSO's Carrion said.

Carrion made reference to Mexico and Colombia, where the jails, instead of destroying the networks, have served as a way for organized crime groups to reinforce their ties.

One person who we interviewed in Manta told us the Choneros are common criminals, and that those who really pull the strings are others, who are using the Choneros. But the group is strong. So strong that they have links with the police, the justice system. They control Manabi and Manta, though they started in Chone — a municipality near Manta, where they got their name. Their status as "narcos" and their ties with the Sinaloa Cartel gives them control over the ports.

The Vice-minister for Internal Security, Javier Cordova, told local media that the Rastrojos and the Sinaloa Cartel are the foreign groups with the greatest presence in the country. This was



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Templados, a gang allegedly linked to the Sinaloa Cartel, whose famous leader, Joaquin "El Chapo" Guzman, was captured recently in Mexico.

SEE ALSO: Sinaloa Cartel News and Profiles

On April 18, 2013, Vernaza was arrested in Cali, Colombia, along with 13 others, for drug trafficking, conspiracy, homicide and extortion. He had escaped two months earlier from the high security prison La Roca in Guayaquil. Around that time, the Ecuadorean criminal published two videos on YouTube. In one of them, he appears with a yellow shirt, watch, chain and gold ring, claiming his innocence. He also threatened Interior Minister Jose Serrano over social media. Nine Choneros members also participated in the jail break.

Murders in Manta

Pushed beyond its limits and scared by the homicides, Manta prohibited the circulation of motorcycles with more than one rider last year. (Gunmen riding double on motorcycles is a common method of murder.) The local government also handed out stickers with the words "Safe Motorcycle"



Mexico, and it's scaring us. Our society, without values and principles, is an easy prisoner to corruption. This is a major concern of the business sector," said Lucia Fernandez.

Ricardo Delgado, director of the local daily El Mercurio and president of the Manta Civic Board, said murder-forhire is like a toxic cloud that suddenly broke over the city: "This emerged overnight, it was not normal for our city to see violent activities. Something is happening here."

During the days we spent there, we heard of various neighbors killed by firearms: the secretary general of the taxi union, Lenin Chiriboga, who was also Mr. Delgado's predecessor on the Civic Board; Byron Alexander Velez, alias "El Mellizo," killed by two guys on a motorcycle, with five bullets; the 17year-old Victor Alejandro Cedeño, also murdered by two men on a motorcycle, while he was inside a store attempting to buy credit for his cell phone...

It is a long list. The hired assassins have even offered their services online.

"Do the people collecting your debts bother you?" they wrote in a recent ad. "Do they refuse to pay and laugh at you? Do you want to get rid of the



they could solve their problems just by making a phone call or sending an email. Hired killings continued to expand in the region until the Correa government managed to decrease murder rates last year with the presence of the army. The city calmed down. But out at sea, there are still kidnapped fishermen, abandoned boats and the occasional plastic covered packet that the men find while they fish. In the coastal neighborhoods that smell of salt and fish, between one drink and another, the men prefer to keep silent about what happens at sea. That is where the pirates are.

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